

BEFORE THE ARKANSAS CEMETERY BOARD

IN THE MATTER OF

GREENE COUNTY MEMOIRAL
GARDENS, INC. D/B/A GREENE
COUNTY MEMORIAL GARDENS,
PARAGOULD, ARKANSAS

Order Conditionally Approving Change
of Ownership Application Pursuant to
Ark. Code Ann. § 20-17-1012

ORDER NO. 00-030-C

ORDER

On this 27th day of April, 2000, the matter of Greene County Memorial Gardens, Inc. d/b/a Greene County Memorial Gardens, Paragould, Arkansas, ("Seller") and the Greene County Memorial Gardens Permanent Maintenance Trust Fund ("Trust Fund"), comes on to be heard by the Arkansas Cemetery Board ("Board"). From the Legal Notice and Agenda, proof of proper and timely publication of the same, testimony of Charles F. Handley, the exhibits and all other matters presented, the Board, being well and sufficiently advised as to all matters of fact and law herein, hereby finds, concludes and orders as follows:

FINDINGS OF FACT

1. The Seller owns and operates Greene County Memorial Gardens ("Cemetery"), a perpetual care cemetery in or near Paragould, Arkansas, within the meaning of the Cemetery Act for Perpetually Maintained Cemeteries, Act 352 of 1977, as amended ("Act"), and is subject to the Act, Board and the Rules issued by the Board ("Rules").
2. The Seller is a wholly owned subsidiary of Memorial Operations Company of Houston, Texas ("Parent").
3. The Trust Fund is a cemetery permanent maintenance trust fund that is subject to the Act, Board, and Rules.
4. On April 4, 2000, an Arkansas corporation named SCI Arkansas Funeral Services, Inc. ("Applicant"), and the Parent filed a change of ownership application with the Board which reflected that the Applicant was obtaining the cemetery land and other cemetery assets from the Seller and Parent by a "deed in lieu of foreclosure" transaction.

5. This change of ownership application contained the following documents and information:
- A. A \$100.00 filing fee;
 - B. A statement of the proposed changes to the permit;
 - C. A copy of the proposed rules and regulations for the Cemetery;
 - D. A statement regarding the proposed transfer which reflects this is a deed in lieu of a foreclosure transaction;
 - E. A statement that the Applicant does not currently own and operate any other cemetery;
 - F. A statement that there are no legal proceedings pending against the Applicant and its officers and directors;
 - G. A statement that the Applicant will assume the responsibility and liability on the Seller's outstanding accounts receivable and will deliver the burial merchandise or service items for all outstanding paid-in-full but not delivered merchandise and service contracts and deposit any funds due the Trust Fund for paid in full lot sales due from the Seller;
 - H. A statement that the Seller is a wholly owned subsidiary of Memorial Operations Company;
 - I. A balance sheet on the Applicant that was not audited and was as of December 31, 1999;
 - J. A statement that the land covered by the permit shall remain the same;
 - K. A copy of the Cemetery Company Annual Report for the period January 1, 2000, through February 29, 2000;
 - L. A copy of the Trustee's current listing of the Trust Fund's assets;
 - M. A listing of all outstanding accounts receivable of the Seller as of February 29, 2000;
 - N. A listing of all outstanding paid in full but undelivered merchandise and service contracts of the Seller as of March 31, 2000;
 - O. An updated title insurance policy covering that the cemetery land;
 - P. A proposed affidavit by the Seller to correct the problems of issuing deeds to lot purchasers in the name of another subsidiary of the Parent instead of the Seller;
 - Q. A proposed assignment and modification of the Trust Fund agreement;
 - R. A statement by the Applicant stating that it will assume the responsibility and liability of the Seller for all orders issued by the Board for the Seller to construct mausoleums and lawn crypts; and

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6. The 1999 examination conducted by the Board reflects that there is \$4,190.00 due the Trust Fund because of the failure of the Seller to make timely deposits to the Trust Fund for paid in full lot sales.
 7. The examination of seven (7) of the nine (9) Arkansas cemeteries owned by the Parent and its subsidiary conducted in 1999 reflected that they were not making timely deposits to the Trust Funds for paid in full lot sales.

CONCLUSIONS OF LAW

8. Ark. Code Ann. § 20-17-1012 and Rule 11 require that when any cemetery company subject to the provisions of the Act is to be sold or the ownership otherwise transferred, or a controlling interest in same is sold or so transferred, the cemetery company to whom the current permit is issued or the cemetery company proposing to purchase shall file an application for the issuance of a new permit with the Board, and the Board shall approve the application before a new permit is issued.
9. Ark. Code Ann. § 20-17-1012 and Rule 11 require that an application for change of ownership of a cemetery which is subject to the Act contain certain specific information and documents.

OPINION

10. The Seller and the Applicant have filed all of the information and documents required by the Act and Rules of the Board to be made a part of an application for a change of ownership of a perpetual care cemetery except the following:
 - A. Financial statements on the Applicant which are certified as being true and correct by at least two officers and otherwise meet the requirements of Ark. Code Ann. § 20-17-1012 (a)(2)(L) and Rule 8.01(A)(10).
 - B. A notarized affidavit signed by two of the Applicant's officers stating that the Applicant will be responsible for any additional contributions due by the Seller and its subsidiaries for the failure to make timely deposits to the Trust Fund for paid in full lot sales pursuant to Ark. Code Ann. § 20-17-1016.
 - C. Proof that the Seller and Applicant have executed and filed the attached documents marked Exhibit "A" through "F" which are needed to clear title to the burial spaces sold and to assign the Trust Fund.
 - D. A copy of the deed and sales contract the Applicant is going to use.

- E. Proof that the Seller has deposited \$4, 190.00 to the Trust Fund due for the failure to make timely deposits for paid in full lot sales.

ORDER

IT IS THEREFORE ORDERED that the change of ownership application be approved as filed and a new permit be issued to the Applicant to own and operate the Cemetery as a perpetual care cemetery if all the documents set forth in Item No. 10 above are filed with and approved by the Board's staff within twenty (20) days from April 27, 2000. If any of the documents set forth in Item No. 9 above are not filed and approved by the Board's staff with twenty (20) days from April 27, 2000, the change of ownership applications file shall be deemed to be incomplete and not timely filed and because of such denied.

IT IS FURTHER ORDERED that the Applicant shall continue to deposit fifteen percent (15%) of the gross sales price of the lot sales to the Trust Fund for each such paid-in-full contract sold in the Cemetery.

This order having been omitted from the records is entered nunc pro tunc.

DATED THIS 10th DAY OF MAY, 2000.

ARKANSAS CEMETERY BOARD


DILLARD MARTIN, Chairman


MAC DODSON, Secretary

**Assignment and Modification of Trusts
Arkansas**

For and in consideration of \$10.00 and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Memorial Operations Company acting for itself and as the duly authorized agent of each of its wholly owned subsidiaries listed in Exhibit A attached hereto (together the "Assignor") does hereby sell, assign and convey unto SCI Arkansas Funeral Services, Inc. ("Assignee") all of Assignor's right, title, interest, duties and liabilities in those certain Trust Agreements described in the attached Exhibit B and the assets governed by those Trust Agreements, and does hereby amend such Trust Agreements so that Assignee is substituted in place of and instead of Assignor in all the applicable provisions of the Trust Agreements.

Assignee does hereby assume and agree to perform all duties, responsibilities and obligations which Assignor now has or which will hereafter arise under said Trust Agreements.

The Trust Agreements are in no way amended or modified, except as set out herein, and remain in all other ways in full force and effect.

Executed on the 27th day of April, 2000.

Assignor:

MEMORIAL OPERATIONS COMPANY

By: _____

President

Assignee:

SCI ARKANSAS FUNERAL SERVICES, INC.

By: _____

Vice President

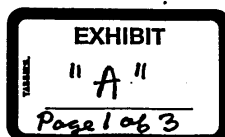


EXHIBIT A

Arkansas Subsidiaries

Memorial Operations Company of Arkansas
a Delaware corporation (qualified in Arkansas)

JMPC, Inc., an Arkansas corporation

Greene County Memorial Gardens, Inc.,
an Arkansas corporation

Decatur Memorial Corporation of Arkansas,
a Delaware corporation (qualified in Arkansas)

Memorial Park Cemetery and Mausoleum, Inc.,
an Arkansas corporation

Rest Haven Memorial Park, Inc.,
an Arkansas corporation

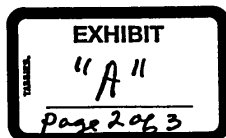


EXHIBIT B
TRUSTEE INFORMATION
STATE OF ARKANSAS

LOCATION	TRUST TYPE	BANK/TRUST CO	ADDRESS	CITY	STATE	ZIP	CONTACT	PHONE	ACCOUNT#
205	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	600405R
205	PC	Regions Bank	6000 State Line Plaza	Texarkana	AR	71854	Betty Anthony	870-779-4840	34-0086-01-5
205	MST	AM South	P.O. Box 11425	Birmingham	AL	35202	Charles Blashek	501-494-1060	40-0303-00-4
205	OC	AM South	P.O. Box 11425	Birmingham	AL	35202	Charles Blashek	501-494-1060	40-0303-00-4
206	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	604500R
206	PC	Mecentille	P.O. Box 15008	Lillis Rock	AR	72231-15008	Hank Hull	501-488-7905	1385170
206	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	2600-8525-010
206	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	2600-8525-010
207	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	602050R
207	PC	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Margaret Wallace	870-541-1413	2330430
207	MST	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Margaret Wallace	870-541-1413	2314250
207	OC	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Margaret Wallace	870-541-1413	2314250
211	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	6028750R
211	PC	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	225390R
211	MST	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	225390R
211	OC	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	225390R
220	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	6002070R
220	PC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	22-00-0511-01-8
220	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-010511-047
220	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-010511-047
228	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	6004050R
228	PC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	22-00-2108-01-5
228	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-2108-01-2
228	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-2108-01-2
230	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	600400R
230	PC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	22-00-3283-01-3
230	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-3272-01-6
230	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-3272-01-5
231	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	6013000R
231	PC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-4723-01-6
231	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	22-00-4708-01-4
231	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	22-00-4708-01-4
240	Pre-Coast Maus	Simmons First National	P.O. Box 7009	Pine Bluff	AR	71611-7009	Slacy Nowotny	501-987-6763	6028755R
240	PC	Regions Bank	P.O. Box 641	El Dorado	AR	71731-0641	Gregg Davis	870-863-3181	41-1933-01-0
240	MST	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-7407-01-3
240	OC	First United Trust Co.	P.O. Box 751	El Dorado	AR	71731-0751	Vonclie Berry	870-863-3181	28-00-7407-01-3

EXHIBIT
"A"
Page 3 of 3

GREENE COUNTY MEMORIAL GARDENS, INC.
2121 Sage Road, Suite 200
Houston, Texas 77056

April 26, 2000

Memorial Operations Company of Arkansas
2121 Sage Road, Suite 200
Houston, Texas 77056

Re: Green County Memorial Gardens
Paragould, Arkansas

Gentlemen:

Certain interment rights in the referenced cemetery were sold to consumers by deeds or other conveyance documents from Memorial Operations Company of Arkansas ("MOC") as the owner. The cemetery, in fact, is owned by Greene County Memorial Gardens, Inc. ("Greene County").

Greene County hereby acknowledges and agrees that all such sales were made on its behalf, that Greene County received and is receiving all consideration paid and which is being paid for such interment rights and that Greene County will honor and recognize such sales just as if the conveyance documents had been executed by Greene County. Greene County agrees that such sales and the conveyance documents are binding on and enforceable against Greene County. The sales records of Greene County Memorial Gardens accurately reflect the above described sales.

If the foregoing accurately sets out our agreement concerning the matters discussed, please cause a copy of this letter to be signed by an appropriate officer and return the same to the undersigned.

Very truly yours,

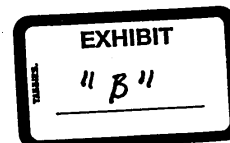
GREENE COUNTY MEMORIAL GARDENS,
INC.

Accepted and Agreed to:

MEMORIAL OPERATIONS COMPANY
OF ARKANSAS

By: _____
President

By: _____
President



JMPC, INC.
2121 Sage Road, Suite 200
Houston, Texas 77056

April 26, 2000

Memorial Operations Company of Arkansas
2121 Sage Road, Suite 200
Houston, Texas 77056

Re: Jonesboro Memorial Park
Jonesboro, Arkansas

Gentlemen:

Certain interment rights in the referenced cemetery were sold to consumers by deeds or other conveyance documents from Memorial Operations Company of Arkansas ("MOC") as the owner. The cemetery, in fact, is owned by JMPC, Inc. ("JMPC").

JPMC hereby acknowledges and agrees that all such sales were made on its behalf, that JPMC received and is receiving all consideration paid and which is being paid for such interment rights and that JPMC will honor and recognize such sales just as if the conveyance documents had been executed by JPMC. JPMC agrees that such sales and the conveyance documents are binding on and enforceable against JPMC. The sales records of Jonesboro Memorial Park accurately reflect the above described sales.

If the foregoing accurately sets out our agreement concerning the matters discussed, please cause a copy of this letter to be signed by an appropriate officer and return the same to the undersigned.

Very truly yours,

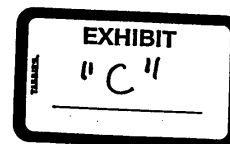
JPMC, INC.

Accepted and Agreed to:

By: _____
President

MEMORIAL OPERATIONS COMPANY
OF ARKANSAS

By: _____
President



MEMORIAL PARK AND MAUSOLEUM, INC.
2121 Sage Road, Suite 200
Houston, Texas 77056

April 26, 2000

Decatur Memorial Corp. Inc.
2121 Sage Road, Suite 200
Houston, Texas 77056

Re: Memorial Park and Mausoleum
Pine Bluff, Arkansas

Gentlemen:

Certain interment rights in the referenced cemetery were sold to consumers by deeds or other conveyance documents from Decatur Memorial Corp. Inc. ("Decatur") as the owner. The cemetery, in fact, is owned by Memorial Park and Mausoleum, Inc. ("Memorial Park").

Memorial Park hereby acknowledges and agrees that all such sales were made on its behalf, that Memorial Park received and is receiving all consideration paid and which is being paid for such interment rights and that Memorial Park will honor and recognize such sales just as if the conveyance documents had been executed by Memorial Park. Memorial Park agrees that such sales and the conveyance documents are binding on and enforceable against Memorial Park. The sales records of Memorial Park and Mausoleum accurately reflect the above described sales.

If the foregoing accurately sets out our agreement concerning the matters discussed, please cause a copy of this letter to be signed by an appropriate officer and return the same to the undersigned.

Very truly yours,

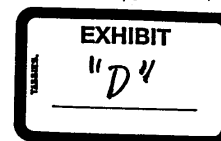
MEMORIAL PARK AND MASOLEUM, INC.

Accepted and Agreed to:

By: _____
President

DECATUR MEMORIAL CORP. INC.

By: _____
President



Rest Haven Memorial Park, Inc.
~~MEMORIAL PARK AND MAUSOLEUM, INC.~~
2121 Sage Road, Suite 200
Houston, Texas 77056

April 26, 2000

Decatur Memorial Corp. Inc.
2121 Sage Road, Suite 200
Houston, Texas 77056

Re: ~~Memorial Park and Mausoleum~~
Pine Bluff, Arkansas

Rest Haven Memorial Park
Russellville, Arkansas

Gentlemen:

Certain interment rights in the referenced cemetery were sold to consumers by deeds or other conveyance documents from Decatur Memorial Corp. Inc. ("Decatur") as the owner. The cemetery, in fact, is owned by ~~Memorial Park and Mausoleum, Inc.~~ *Rest Haven Memorial Park, Inc.* ("Memorial Park").

Memorial Park hereby acknowledges and agrees that all such sales were made on its behalf, that Memorial Park received and is receiving all consideration paid and which is being paid for such interment rights and that Memorial Park will honor and recognize such sales just as if the conveyance documents had been executed by Memorial Park. Memorial Park agrees that such sales and the conveyance documents are binding on and enforceable against Memorial Park. The sales records of Memorial Park and Mausoleum accurately reflect the above described sales.

If the foregoing accurately sets out our agreement concerning the matters discussed, please cause a copy of this letter to be signed by an appropriate officer and return the same to the undersigned.

Very truly yours,

Rest Haven Memorial Park, Inc.
~~MEMORIAL PARK AND MAUSOLEUM, INC.~~

Accepted and Agreed to:

DECATUR MEMORIAL CORP. INC.

By: _____
President

By: _____
President



*Please re-type
collections*
CJH

**MEMORIAL OPERATIONS COMPANY
OF ARKANSAS**

**2121 Sage Road, Suite 200
Houston, Texas 77056**

April 26, 2000

Decatur Memorial Corporation of Arkansas
2121 Sage Road, Suite 200
Houston, Texas 77056

Re: East Memorial Gardens
Texarkana, Arkansas

Gentlemen:

Memorial Operations Company
Certain interment rights in the referenced cemetery were sold to consumers by deeds or other conveyance documents from ~~Decatur Memorial Corporation~~ of Arkansas ("~~Decatur~~") as the owner. The cemetery, in fact, is owned by ~~Memorial Operations Company~~ of Arkansas ("~~MOC~~"). *MOC*

Decatur
Decatur
MOC hereby acknowledges and agrees that all such sales were made on its behalf, that MOC received and is receiving all consideration paid and which is being paid for such interment rights and that MOC will honor and recognize such sales just as if the conveyance documents had been executed by MOC. MOC agrees that such sales and the conveyance documents are binding on and enforceable against MOC. The sales records of East Memorial Gardens accurately reflect the above described sales. *Decatur*

If the foregoing accurately sets out our agreement concerning the matters discussed, please cause a copy of this letter to be signed by an appropriate officer and return the same to the undersigned.

Very truly yours,

MEMORIAL OPERATIONS COMPANY
OF ARKANSAS

Accepted and Agreed to:

DECATUR MEMORIAL CORPORATION
OF ARKANSAS

By: _____
President

By: _____
President



*Please re-type
collections
CJH*